

Section 1 Introduction

1.1 Welcome

Thank you for participating in the California Franchise Tax Board's e-file Program. Whether you are a new or returning participant, we welcome you aboard and are pleased you are here.

This publication provides you with information on our Individual and Business e-file Programs, as well as information to help you file and update your e-file enrollment form, your responsibilities as a participant, and rules and procedures for various aspects of the Program.

For specific information regarding each Program, get the following publications:

- Individual e-file: FTB Pub. 1345A, *2006 Individual e-file Handbook Supplement*
- Business e-file: FTB Pub. 1345B, *2006 Business e-file Handbook for Authorized e-file Providers of California Business Returns*

1.2 Where Can I Get More Information?

For e-file assistance and information please visit the Tax Professionals area of our Website or contact e-Programs Customer Service:

Website: www.ftb.ca.gov

e-Programs Customer Service:

Available Monday through Friday, between 8 a.m. and 5 p.m.

Phone: (916) 845-0353
Fax: (916) 845-0287
Email: e-file@ftb.ca.gov

Send comments or suggestions regarding the California e-file Program or this publication to:

**e-file Coordinator, MS F-284
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468**

Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

1.3 What's New for Taxable Year 2006?

This publication is a general e-file handbook providing information about both our Individual and Business e-file Programs. Information specific to the Individual e-file Program can be found in FTB Pub. 1345A, *e-file Handbook Supplement for Authorized e-file Providers of California Individual Income Tax Returns* and information specific to the Business e-file Program can be found in FTB Pub. 1345B, *Business e-file Handbook for Authorized e-file Providers of California Business Returns*.

Business e-file

Business e-file began in January of 2006, allowing business taxpayers to e-file the Form 100 Corporation Tax Return for the first time.

Beginning January 2, 2007, business taxpayers will be able to e-file the following additional return types for taxable years beginning on or after January 1, 2006:

- Form 565, *Partnership Return of Income*
- Form 568, *Limited Liability Company Return of Income*
- Form 100S, *S-Corporation Franchise or Income Tax Return*

Taxpayers sign their business returns using the following forms:

- Corporations: Form FTB 8453-C, *California e-file Return Authorization for Corporations*.
- Partnerships: Form FTB 8453-P, *California e-file Return Authorization for Partnerships*.
- Limited Liability Companies: Form FTB 8453-LLC, *California e-file Return Authorization for Limited Liability Companies*.

For more information on Business e-file refer to FTB Publication 1345B, *2006 Business e-file Handbook for Authorized e-file Providers of California Business Returns* or go to our Website at www.ftb.ca.gov and search for **Business e-file**.

Refund Splitting

Taxpayers now have the option of splitting their refund made by Direct Deposit (DDR) in up to two accounts. Taxpayers requesting their refund be split must request the total refund amount be electronically deposited between the two accounts. Taxpayers cannot receive part of their refund by DDR and part by paper check.

Important Note: If a taxpayer chooses to split their direct deposit (DDR) and requests an electronic funds withdrawal (EFW) for estimated tax payments on the same return, the EFW will take place from the first bank account listed.

Secure Web Internet File Transfer (SWIFT) for e-file Transmissions

SWIFT is our new, secure, internet-based transmission method for e-file returns. Already in use for business e-file, SWIFT is now available for individual e-file return transmissions. If you transmit your returns directly to us, check with your software provider to see if they support the use of SWIFT.

Phase Out of Modem Transmissions in 2008

The 2007 process year will be the last year that we support e-file transmissions via modem. Beginning in 2008 the only method for transmitting e-file returns will be via SWIFT.

1.4 Reminders

It's easy to enroll in our e-file Program or update your information. Please send us an updated *California e-file Program Participant Enrollment Form* (FTB 8633) when any of your enrollment information changes. You can do this online at www.ftb.ca.gov (search for **Join e-file**). You can also complete the form on page 10 and fax it to us at (916) 845-0287. If you enroll online or fax us your enrollment form, you do **not** need to mail in a copy.

Note: Once you are an accepted participant in our e-file Program, you do not need to re-enroll each year as long as you e-file at least one return each year to keep your account active.

If you are currently participating in the Individual e-file Program, you do not need to enroll again to participate in the Business e-file Program. However, if you have different contact information for Business e-file, you can update your account using our online enrollment form (go to www.ftb.ca.gov and search for **Join e-file**).

Exception: Transmitters and Software Developers planning to transmit Business e-file returns need to enroll separately in the Business e-file Program. Refer to Publications 1346B, *Business e-file Handbook for Authorized e-file Providers of California Business Returns* and 1436B, *Test Package for e-file of California Business Tax Returns*, for information on transmitting and testing.

Subscription Services

Subscription Services is a free Web-based email system that allows you to sign up to receive desired information directly to your email account. Go to www.ftb.ca.gov and search for **Subscription Service**. Here's what you get with Subscription Services:

- Tax News – FTB's publication with information on laws, legislation, programs and services important to tax professionals.
- e-file News – Information on e-file, e-Services, seminars, and processing developments important to tax professionals.

1.5 Privacy

We are required to provide the following privacy notice with all forms that request personal information from individual taxpayers. We are providing it here because we request a social security number to verify the Electronic Filer Identification Number (EFIN) on our *California e-file Program Participant Enrollment Form* (FTB 8633). Feel free to share this notice with your clients.

Franchise Tax Board Privacy Notice

The privacy of your income tax information is of the utmost importance to us.

Your Rights

You have a right to see our records that contain your personal information. We must tell you why we ask for your income tax information and to whom we may provide it. You also have the right to question the accuracy of the information contained within your file.

Your Responsibilities

If you meet certain income requirements, you must file a return on the forms we prescribe. When you file the return and related documents, you must include your social security number for identification and return processing. (R&TC Sections 18501, 18621, and 18624)

Reasons for Information Requests:

We ask for return information so that we can administer tax laws fairly and correctly. We may request additional information to resolve audit or collection issues. You must furnish all requested information.

Consequences of Noncompliance

We charge penalties and interest if you meet income requirements but do not file a return or do not provide the information we ask for, or if you provide fraudulent information. In certain cases, if you provide fraudulent information, we may pursue criminal prosecution. We may also disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. This could increase your tax liability, or delay or reduce any refund.

Information Disclosure:

We may disclose your tax information to:

- The Internal Revenue Service.
- Other states' income tax officials.
- The Multistate Tax Commission.
- Appropriate California government agencies and officials.
- Third parties when necessary to determine or collect your tax liabilities.

If you owe us money, we can disclose the amount due to employers, financial institutions, county recorders, vacation trust funds, process agents, or others who may hold assets belonging to you.

Responsibility for the Records:

The director of the Processing Services Bureau is responsible for maintaining Franchise Tax Board's records. You can obtain information about your records by:

Telephone:

(800) 852-5711 (within the United States)
(916) 845-6500 (outside of the United States)
(not toll-free)

Mail:

DISCLOSURE OFFICER MS A-181
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

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